

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6660**

**BILL NUMBER:** HB 1141

**NOTE PREPARED:** Mar 17, 2005

**BILL AMENDED:** Mar 17, 2005

**SUBJECT:** Courts.

**FIRST AUTHOR:** Rep. Brown T

**FIRST SPONSOR:** Sen. Harrison

**BILL STATUS:** CR Adopted - 2<sup>nd</sup> House

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

| STATE IMPACT            | FY 2005 | FY 2006   | FY 2007   |
|-------------------------|---------|-----------|-----------|
| State Revenues          |         |           |           |
| State Expenditures      |         | 465,200   | 905,474   |
| Net Increase (Decrease) |         | (465,200) | (905,474) |

**Summary of Legislation:** (Amended) This bill has the following provisions:

- A. It creates one new superior court in Dearborn County, DeKalb County, Hamilton County, Howard County, Montgomery County, and Vigo County.
  - B. It creates two new superior courts in Hendricks County.
  - C. It establishes a magistrate in Madison County.
  - D. It provides that the new superior courts in Dearborn County, DeKalb County, Montgomery County, and Vigo County are created on January 1, 2006, the new superior court in Howard County is created on January 6, 2006, and the new courts in Hendricks County and Hamilton County are created on January 1, 2007.
  - E. It allows the existing superior courts in Hendricks County to appoint a magistrate to serve until January 1, 2007.
  - F. It abolishes the DeKalb County small claims referee.
  - G. It makes the superior courts in Howard County standard superior courts.
- (The introduced version of this bill was prepared by the Commission on Courts.)

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** (Revised) The full costs of this bill would not be reached until FY 2008, outside of the next biennium, because of the effective dates for creating these courts. The following table shows the increase in expenditures over the next four fiscal years.

| <u>County</u>      | <u>Court/<br/>Magistrate</u> | <u>Effective<br/>Date</u> | <u>FY 2006</u>   | <u>FY 2007</u>   | <u>FY 2008</u>     | <u>FY 2009</u>     |
|--------------------|------------------------------|---------------------------|------------------|------------------|--------------------|--------------------|
| Dearborn           | Court                        | Jan 1, 2006               | \$70,353         | \$140,706        | \$140,706          | \$140,706          |
| DeKalb             | Court                        | Jan 1, 2006               | \$65,353         | \$130,706        | \$130,706          | \$130,706          |
| Hamilton           | Court                        | Jan 1, 2007               |                  | \$70,353         | \$140,706          | \$140,706          |
| Hendricks          | 2 Courts                     | Jan 1, 2007               |                  | \$140,706        | \$281,412          | \$281,412          |
| Hendricks          | Magistrate                   | Jul 1, 2005               | \$94,394         | \$47,197         |                    |                    |
| Howard             | Court                        | Jan 6, 2006               | \$70,353         | \$140,706        | \$140,706          | \$140,706          |
| Madison            | Magistrate                   | Jul 1, 2005               | \$94,394         | \$94,394         | \$94,394           | \$94,394           |
| Vigo               | Court                        | Jan 1, 2006               | <u>\$70,353</u>  | <u>\$140,706</u> | <u>\$140,706</u>   | <u>\$140,706</u>   |
| Added Expenditures |                              |                           | <u>\$465,200</u> | <u>\$905,474</u> | <u>\$1,069,336</u> | <u>\$1,069,336</u> |

The estimated costs for a 12-month period are listed in the following table.

| <u>Cost Component</u>            | <u>Source of Computation</u>                            | <u>Judge</u>            | <u>Magistrate</u>      |
|----------------------------------|---|-------------------------|------------------------|
| Salary                           | Specified in statute                                    | \$90,000                | \$72,000               |
| Life Insurance                   | 0.36% of Salary   | \$324                   | \$259                  |
| Health, Dental, and Vision       | Blended rate (estimated by the State Budget Agency)     | \$8,291                 | \$8,291                |
| Social Security                  | 7.65% of salary   | \$6,885                 | \$5,508                |
| Disability Insurance             | 2.28% of salary (estimated by State Budget Agency)      | \$2,052                 | \$1,642                |
| Judges Retirement Fund           | 35% of Salary   | \$31,500                |                        |
| PERF                             | 7% of salary  |                         | \$5,040                |
| Leave Conversion                 | Estimated by State Budget Agency                        | \$654                   | \$654                  |
| Judicial Center                  | Includes materials & postage, but not possible staffing | <u>\$1,000</u>          | <u>\$1,000</u>         |
| <b>Total Cost for New Court:</b> |   | <b><u>\$140,706</u></b> | <b><u>\$94,394</u></b> |

[Note 1: The expenditures for FY 2006 listed in the STATE IMPACT table, above, reflect approximately 6 months of expenditures because the starting date of these new courts begin in the middle of either FY 2006 or FY 2007.]

[Note 2: Converting the Montgomery County Court to the Montgomery Superior Court would not increase the costs to the state general fund because the salaries for judges in county and superior courts are the same.]

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** (Revised) These counties may need to hire additional support staff and find space for the new courts.

By eliminating the small claims referee position, DeKalb County will save \$10,000 per year.

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Judicial Center, Division of State Court Administration.

**Local Agencies Affected:** Dearborn, DeKalb, Hamilton, Hendrix, Howard, Madison, Montgomery, and Vigo Counties.

**Information Sources:** State Budget Agency.

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